

EXHIBIT A

From: Mike Beckerman (Exchange)
Sent: Monday, September 13, 1999 2:54 PM
To: Bill Schiefelbein (Exchange); Anthony Bay (Exchange); Tom Honeybone (Exchange); Amir Majidmehr (Exchange); Bret O'Rourke (Exchange); Craig Elsler (Exchange)
Cc: Ming-Chieh Lee (Exchange); David del Val (Exchange)
Subject: RE: Faster Than REAL Time....

They appear to monitor actual bandwidth required as the compression varies over time, and "burst" extra data during the lulls to pre-fill the buffer. This is similar to the adaptive and cooperating audio / video codecs that we've talked about, where as audio requirements lessen, video gets more of the bandwidth. Additionally, when the user is paused, they continue to stream to pre-fill the buffer. They claim to monitor per-client bandwidth in real-time and to reconfigure themselves (and the network?) based on that data.

Would be interesting to get a copy to evaluate.

-----Original Message-----

From: Bill Schiefelbein (Exchange)
Sent: Saturday, September 11, 1999 12:49 PM
To: Anthony Bay (Exchange); Tom Honeybone (Exchange); Amir Majidmehr (Exchange); Bret O'Rourke (Exchange); Mike Beckerman (Exchange); Craig Elsler (Exchange)
Subject: RE: Faster Than REAL Time....

I'm not connected at the moment so I can't look into their site, but reading the attached doc, I was certainly less than enthused with their first selling point:

Burstware optimizes network resources by delivering data in Faster-Than-Real-Time™ bursts that are stored in a client-side buffer, freeing up the network to serve other clients
 Excuse me?? So if I send a 25Kbps piece of content down a 28.8 modem connection at 500Kbps I'm all set. I'll take a gander at their site to see if there is anything more interesting, but the rest of the bullets in the attachment were equally disappointing (though I'm impressed if they really got the trademark for "Faster-Than-Real-Time" :)

Bill

-----Original Message-----

From: Anthony Bay (Exchange)
Sent: Tuesday, September 07, 1999 10:02 AM
To: Tom Honeybone (Exchange); Amir Majidmehr (Exchange); Bret O'Rourke (Exchange); Bill Schiefelbein (Exchange); Mike Beckerman (Exchange); Craig Elsler (Exchange)
Subject: FW: Faster Than REAL Time...

what do we know about these guys?

-----Original Message-----

From: Steve Ballmer
Sent: Tuesday, September 07, 1999 9:05 AM
To: Anthony Bay (Exchange); Will Poole
Subject: FW: Faster Than REAL Time....

Do we have relationship with burstware should we please respond to Patrick Wright I do not know him thanks

5/23/2003

MS-CC-Bu 000000057309
 HIGHLY CONFIDENTIAL

-----Original Message-----

From: Patrick Wright [mailto:patrick.wright@digitalcreators.com]
Sent: Sunday, August 01, 1999 2:23 PM
To: Steve Ballmer
Subject: Faster Than REAL Time...

Steve,
After meeting with you at e-commerce summit and chatting about Steaming I found something better than we spoke about...

Regards,

Patrick Wright
pvgwright@home.com
patrick.wright@burst.com

For more information check out our website:
www.burst.com

5/23/2003

MS-CC-Bu 000000057310
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From: Will Friedman
Sent: Friday, October 01, 1999 2:30 PM
To: Paul Boudreau (Exchange); Will Poole
Cc: Kevin Unangst; Ben Algaze; Anthony Bay (Exchange); Bill Schiefelbein (Exchange); Bret O'Rourke (Exchange); Navin Chaddha
Subject: RE: Instant Video Technologies, inc.

I will include Amir in the meeting I am arranging and he can forward invite as necessary. The first thing we need is to see their technology in depth.

Will

-----Original Message-----

From: Paul Boudreau (Exchange)
Sent: Friday, October 01, 1999 2:17 PM
To: Will Friedman; Will Poole
Cc: Kevin Unangst; Ben Algaze; Anthony Bay (Exchange); Bill Schiefelbein (Exchange); Bret O'Rourke (Exchange); Navin Chaddha
Subject: RE: Instant Video Technologies, inc.

They would like to come to Redmond to meet with us to demo their technology. Amir and the technical team is interested in this as well. Should we arrange this and when?

-----Original Message-----

From: Will Friedman
Sent: Friday, October 01, 1999 2:12 PM
To: Will Poole
Cc: Kevin Unangst; Ben Algaze; Anthony Bay (Exchange); Paul Boudreau (Exchange); Bill Schiefelbein (Exchange); Bret O'Rourke (Exchange); Navin Chaddha
Subject: Instant Video Technologies, Inc.

I talked to him today on the phone. He has a technology that he says improves streaming media performance by sending additional data in situations where the available bandwidth exceeds the encoding rate, using a proprietary, cross-platform system. NT is one of the supported platforms. They have optimized their system to work with Windows Media. They say they haven't talked to Real yet and they want to work with us, because they see business synergies.

We should meet with them so we can do a technical and business evaluation of their technologies. I will arrange a meeting with them in 1 1/2 weeks (timetable at their request) for this. Press should hold off for this.

Also, this guy has already talked to PaulBou and KevinU as well and is looking for a single contact (probably should be Navin or myself).

Will

-----Original Message-----

From: Will Poole
Sent: Friday, October 01, 1999 6:17 AM
To: Will Friedman
Cc: Kevin Unangst; Ben Algaze
Subject: RE: Please call me

I left a vmail b/c he has been pestering steveb. please get with the guy and find out what they want.

-----Original Message-----

10/20/2003

MS-CC-Bu 000000243991
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From: Will Friedman
Sent: Thursday, September 30, 1999 10:15 PM
To: Kevin Unangst
Cc: Will Poole
Subject: RE: Please call me

Sorry, haven't had a chance to do anything but bbjumpstart. I called him tonight and left a message.

Will

-----Original Message-----

From: Kevin Unangst
Sent: Thursday, September 30, 1999 3:44 PM
To: Will Friedman
Cc: Will Poole
Subject: FW: Please call me

He called again, saying Will Poole left a voicemail (think it may have been wfried)
Either way I want to get this guy a response. WFried, did you ever get a chance to talk with him? I'd gladly get this release through but have no context here.

-----Original Message-----

From: Richard Lang [mailto:RichardLang@burst.com]
Sent: Friday, September 24, 1999 12:04 PM
To: Kevin Unangst
Subject: RE: Please call me

Kevin, attached please find a DRAFT copy of the upcoming press release regarding IVT's Burst-Enabling of the Windows Media Player. As I said in my voice-mail today, I think there is a major strategic opportunity here beyond the press release. Burstware capabilities bundled with NT servers could jump WMT leagues beyond anyone else in media streaming. I would like to arrange for a demo of video over the Internet playing through the WMP. I am holding off on putting out the press release until I know your level of interest (I would very much like for Microsoft to be quoted in the release). Please call me at 415-391-4455, extension # 201 (next Monday or Tuesday would be ideal). Look forward to hearing from you!

Richard Lang
Chairman, CEO & President
Instant Video Technologies, Inc.

-----Original Message-----

From: Kevin Unangst [mailto:kevinu@MICROSOFT.com]
Sent: Thursday, September 23, 1999 10:36 PM
To: 'Richard Lang'
Subject: RE: Please call me

Hi Richard. I forwarded your phone and email twice to Will Friedman.. I will apologize on his behalf for not getting back to you.

Go ahead and send a draft of the press release you want to issue to me, I'll take a look, and we can work from there. thanks again.

Kevin Unangst

-----Original Message-----

From: Richard Lang [mailto:RichardLang@burst.com]
Sent: Tuesday, September 21, 1999 3:38 PM
To: Kevin Unangst

10/20/2003

MS-CC-Bu 000000243992
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Subject: Please call me

Hi Kevin. A couple of weeks ago I spoke with you about our company's upcoming press announcement regarding our "burst-enabling" of the Windows Media Player. As I mentioned on the phone, I believe that this technology development is of great value to Microsoft and I would very much like to discuss how we can both benefit from it, beginning with the participation of Microsoft in the press announcement. Beyond that, I would like to propose a face-to-face meeting between our companies to explore the strategic opportunities. Please give me a call as soon as possible. While I have pushed back the release date for our announcement 3 weeks, per our last conversation, I eventually do need to let the news out. Either way, I will look forward to an eventual meeting. Thank you very much.

Richard Lang
Chairman, President & CEO
Instant Video Technologies, Inc
415-391-4455, ext. # 201

10/20/2003

MS-CC-Bu 000000243993
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From: Bret O'Rourke (Exchange)
Sent: Thursday, October 28, 1999 10:51 AM
To: Anthony Bay (Exchange); Will Poole; Windows Media Mktg Fulltime Employees; Windows Media Program Management; Craig Eisler's Direct Reports; John Enslein Direct Reports; Chadd Knowlton's Direct Reports
Subject: Meeting report: IVT (BurstWare)

Attendees

IVT: Richard Lang - CEO
 Tom Koshy - COO
 Kyle Faulkner - CTO
 Frank Schwartz - VP BizDev
 Michael Moskowitz - Director of Strategic Relations
MS: Will Poole
 Will Friedman
 David Del Val
 Bill Schiefelbein
 Bret O'Rourke

Summary

Burstware is a smart, faster than real-time, patented, file transfer and playback mechanism. It consists of a server and protocols and uses the Windows Media player and JMF to render streams. While their technology demos well, the basic premise of blasting bits as fast as you can to a player is fraught with issues. Our assessment is that the technology will not work in most environments and for most scenarios that customers require. While we plan to a press announcement with them on their integration with WMP, we are very hesitant to do integrate, use, or license their technology. The current only action item is for IVT to come back to Microsoft with an assessment of how Burstware actually lowers the cost of MBs transferred vs. cache/proxy mechanisms today (i.e. Akamai and Sandpiper solutions).

Details

Objective of Meeting

IVT's objectives for the meeting were: 1) to see if Microsoft wanted to participate in a press release in two weeks announcing Burstware's support for the Windows Media Player and 2) to what level Microsoft wanted to partner with IVT. For the second objective, IVT listed four areas of possible collaboration:

1. The player market - integrate Burstware into WMP
2. Hosting - IVT will be moving into the hosting business
3. IP licensing - IVT has 15 patents either granted or pending in the US and internationally
4. The server market - integrate Burstware into WMT

Overview of Technology

IVT produces Burstware technology which is a smart, faster than real-time, patented, file transfer and playback mechanism. As bandwidth on the Internet increases and storage costs decrease, their technology "takes off from where streaming media stops." The software consists primarily of a server and TCP control and data protocols. They use WMP and JMF (Java Media Foundation) as their players (for WMP they wrote a Dshow filter). They have not ported to the RN or Apple players yet but are looking into RN next. They're fairly agnostic to what they stream. They demonstrated playback of MPEG1, MPEG2, MP3, and ASF. Burstware is a fast intelligent file copier with local playback of a file on the player side. The server will use all available bandwidth on the net to accomplish the file copy. You can set a max bandwidth for the server so that an entire LAN is not maxed out. As clients connect, the server divides the available bandwidth by the total # of players.

IVT claims that you only need a couple well positioned Burstware servers on the Internet to handle *anyone* that requests *any content* from a Burstware server. They claim you don't need cache/proxy services on the Internet. Their technology obviates the need for "chasing the end of the cloud." Along with this technical advantage, IVT claims they cost less per MB transferred than these services because of the cost of these services incur for build out.

Our Assessment

IVT's pitch for Burstware appears to be centered around high quality, high bitrate, entertainment-oriented content. Because of this, Burstware requires the link bandwidth between the player and server to far exceed the bitrate required for a particular file. This is not always possible nor the best thing in many cases. For the enterprise, there's plenty of

bandwidth but it's not clear IT admins would want their bandwidth consumed is this way. For instance, if you configured Burstware to stream at a max 2Mbps then it would consume that bandwidth nearly all the time. For the Internet, Burstware does not appear to work given the current condition on the Internet. DSL and cable modems today provide barely enough bandwidth to support the minimum 500kbps quality that is required for "entertainment-quality" content. In order to get a 300kbps file across a 384kbps link nearly requires the full pipe with thinning, etc... to keep the stream looking smooth. In this environment, Burstware doesn't work.

While they have nice demos that are compelling, our assessment is that this technology does not meet the requirements of many of our key scenarios. Under the right conditions, their technology would work great but these conditions are not prevalent in most the environments needing/using streaming media today.

It should be noted as well that this Burstware is lacking in so many areas - it's for on-demand content only, there's no authentication/authorization, they don't handle any kind of playlists or metafiles, they don't support MBR, etc, etc...

Additional Technical Information

Below is a quick summary of how Burstware technology works:

- *Clients connects to a load balancer called a "conductor" via the "burst" protocol* - The burst protocol is their own proprietary protocol - no plans to go RTSP anytime soon. A "conductor" figures load stats on the network - at that instant - and directs the player to an appropriate server. You can have redundant Burstware conductors and servers. Multiple conductors may be specified in the URL - i.e. burst://1.1.1.1;2.2.2.2/foo.asf.
- *Client connects to a Burstware server via the burst protocol, content is then copied to the player and played back* - A lot happens during this phase. First, the server determines what bitrate it should send packets. This is not actually necessary. They claim it's more efficient for the web page author to insert the bitrate of the content in the URL. It then begins "copying" these bits across the net at the rate. The client then begins buffering these bits. It can either buffer to memory (say 4MB) or to disk. In the case of disk buffer, they keep the entire file around instead of say 10 seconds worth. This enables a smooth rewind capability. You can FF as well. If the FF takes you past the point that is currently being cached, they will jump to that later point in the file. They're basically doing a partial file cache at that point.

From: Will Poole
Sent: Monday, November 29, 1999 10:13 AM
To: Phil Goldman; Tony Faustini
Cc: Will Friedman; Ben Algaze
Subject: RE: referred by Poole/Friedman

(burstware folks removed)

they claim to have IP covering ReplayTV/Tivo functionality which predates both companies. I do not think their burstware streaming product or IP is particularly interesting (that is what they are pitching below), but though you should look into the other.

-----Original Message-----

From: Phil Goldman
Sent: Sunday, November 28, 1999 10:17 PM
To: Richard Lang
Cc: Will Poole; Will Friedman; Tom Koshy; Tony Faustini
Subject: RE: referred by Poole/Friedman

Richard,

We would be very interested in learning about your streaming solution. I would recommend that you get started with Tony Faustini, who is our lead for Technology Management. Tony can work with you to evaluate the opportunity and logistics. I'm cc'ing Tony on this mail so that he can contact you to get started, and I will stay in close contact with him on this.

Thanks,
-Phil

-----Original Message-----

From: Richard Lang [mailto:RichardLang@burst.com]
Sent: Tuesday, November 23, 1999 1:44 PM
To: Phil Goldman
Cc: Will Poole; Will Friedman; Tom Koshy
Subject: referred by Poole/Friedman

Hello Phil. At a meeting at Microsoft a couple of weeks ago, Will Poole suggested that my company, IVT, should talk to WebTV regarding a possible strategic opportunity. Will Friedman directed me to you. IVT has developed a next-generation streaming solution which resolves network latency issues by delivering content from within the cloud, in faster-than-real-time to client-side cache. The process is based on extensive intellectual property that Will Poole thought WebTV would be interested in. We can provide WebTV with a distinct strategic advantage which includes IP in the ReplayTV/Tivo space, as well as extensive IP in intelligent buffer management. We are still in discussions with Microsoft regarding applications in the WMP and server media space, but Will thought that there might be specific applications for WebTV. The IP is currently embodied in Burstware, our enterprise-class server-client media delivery software. You can learn more about us at our website, www.burst.com. I would like to discuss the opportunity with you after the Thanksgiving holiday. At your convenience, you can contact me at the numbers below. I look forward to speaking with you. Thank you very much!

Richard Lang
Chairman & CEO
Instant Video Technologies, Inc.

6/12/2003

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415-391-4455, ext. #201
richard@burst.com

6/12/2003

MS-CC-Bu 000000107925
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From: Will Friedman
Sent: Friday, December 24, 1999 3:21 PM
To: Bill Schiefelbein (Exchange)
Cc: Will Poole; Navin Chaddha
Subject: FW: Follow-up

Hi Bill,

These guys at IVT are looking for a response to their proposal on how they lower costs with their solution. I am not impressed with their paper since it seems to bash our technology in general, rather than talking about how we can work together. I do believe though, that they are simply trying to say that their fundamental paradigm for distribution is better. I don't think that this paper proves this, but we need someone who is familiar with the latest per-deployment details to look this over and comment on their claims. I've asked Tom Hon to do this, but I think he has been out. Can you drive this with Tom in January since I will be on vacation? In general we don't believe their technology adds a lot of value, but if they can prove otherwise than great - we will figure out how to work with them. The next step is to return comments on their doc to Richard and tell them the next step from a bus dev standpoint. Will can tell you who should drive this from bus dev while I am away.

Thanks, and Happy Holidays!
 Will

-----Original Message-----

From: Richard Lang [mailto:RichardLang@burst.com]
Sent: Friday, December 17, 1999 9:58 AM
To: Will Friedman
Cc: Will Poole
Subject: Follow-up

Hello Will. Looks like the Streaming show got too crazed to meet up as scheduled. I wonder if you and Will Poole have had an opportunity to review the ROI of Burstware white paper that I emailed a couple of weeks ago? We have had some major developments take place on the hosting front with Exodus, Suri DEN, and others. We would still very much like to engage Microsoft in activities that we believe are going to drastically change the landscape of media streaming. As we stated in our last meeting, we believe that Microsoft potentially has the most to gain, so we would like to schedule our follow-up meeting to determine what can be done and when, before our circle of strategic partners widens much further. Please give me a call or email at your earliest convenience. Wishing you a wonderful holiday season!

Richard Lang

6/12/2003

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From: Will Poole
Sent: Wednesday, April 05, 2000 1:30 PM
To: Tony Bawcutt; Will Friedman; Bill Schiefelbein; Scott Harrison; Windows Media Infrastructure Strategy
Cc: Suren Singh; Bruce Jaffe; Denmark West; Chadd Knowlton
Subject: RE: Burstware/MS next steps

We have evaluated in reasonable detail and decided not to pursue other than as an arms-length partner. The fact that they have sold @home is disturbing — means we need to be selling harder there. They are very unlikely to survive as a company. If they were available as a firesale we might want to purchase to get the team and patents. I suppose it might be prudent to begin such discussions if they are running out of \$ again — would hate for Real to get the firesale instead of us. I can't see why anyone would finance them at this point, as there simply is not much revenue potential from a "better mousetrap" which is sold into a market that already has readily available mousing devices from MS, Real, and Apple...

—Original Message—

From: Tony Bawcutt
Sent: Wednesday, April 05, 2000 12:07 PM
To: Will Friedman; Bill Schiefelbein; Scott Harrison; Windows Media Infrastructure Strategy
Cc: Suren Singh; Will Poole; Bruce Jaffe; Denmark West
Subject: RE: Burstware/MS next steps

I just got off the phone with Excite@Home, who are currently entering into trials with Burst. @Home has 1.5 Million subscribers, and this is expected to grow to 3M by eoy.

They think that this is a fundamental technology, particularly for cable networks, which is a shared medium and therefore non-deterministic on what bandwidth a user is going to get at any one time. The basic idea here is to take advantage of available bandwidth when you have it to blast as much as possible, and then cache locally. Then as the network degrades (including they say a demo where you pull the plug on the network) it continues to run, waiting for another opp to burst. On cable infrastructure this could mean you could blast at 1.5M for short periods of time.

Excite@Home made the bold statement that whoever of the streaming companies bought Burst, would be the company they went with, because they thought it was an exclusive capability, and therefore very detrimental to the guy who can't offer it.

They said that Burst has patents in this area, but is in some trouble with financing right now, and could be had cheap.

We should put together an eval team to look at them.

—Original Message—

From: Will Friedman
Sent: Tuesday, March 28, 2000 6:28 PM
To: Bill Schiefelbein; Scott Harrison; Windows Media Infrastructure Strategy
Cc: Tony Bawcutt
Subject: RE: Burstware/MS next steps

We need to keep an eye on Burstware. They have launched a national marketing campaign around "why stream when you can burst" including purchasing billboards in the bay area and ads on NPR — and probably other things I'm not aware of. They have purchased gold sponsorship at streaming media east.

5/23/2003

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They have approached many of the partners that I work with. Their basic proposition to network operators is that, using their server technology and a WMP plug-in, they can speed up the delivery of content to Windows Media player – compared to delivery from a Windows Media Server. They. It's not clear to me how they will get their client installed on a wide-base of end-user machines – perhaps by a marketing campaign funded by their investment money. They had very close to \$0 revenue in 1999 (that's revenue, not profit) – they didn't sell anything.

I've asked their CEO to keep us updated when they have some customers so we can talk to them to see if there are actual performance and cost benefits to their solution.

—Original Message—

From: Bill Schiefelbein

Sent: Monday, March 27, 2000 11:55 PM

To: Will Friedman; Scott Harrison

Cc: Tony Bawcutt

Subject: RE: Burstware/MS next steps

These guys kill me. They say how much they want to work with us and how we are not competitive, yet their docs and web page talk all about how "streaming" sux. As another example, check out the attached mail that Scott forwarded.

Bill

5/23/2003

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From: Will Friedman
 Sent: Wednesday, April 12, 2000 1:32 PM
 To: Tony Bawcutt
 Cc: Bill Schiefelbein; Denmark West
 Subject: Revisiting Burst.com

Importance: High

Hi Tony,

As you know when it comes to Burst, we have been skeptical of their technology for a variety of reasons. In our last major exchange, we had asked them to show us some customers who were satisfied with their solution.

I had a chance to talk to Burst (Mike Moskowitz, VP BusDev) at NAB and got an update on their customers and their plan. In addition, BillSch and I had a call with @home today in which we discussed @home's opinion of the Burst technology.

Here are the key takeaways from @home:

- @home is impressed with Burst and will be getting into trials and is optimistic about the chances of using their service. They like the Burst solution better than the Inktomi cache solution they were previously evaluating. They like Burst because:
 1. They believe it provides an improvement in quality for their cable modem customers
 2. They like the download and play model in general because it allows them to have predictable network traffic. They believe Burst effectively "maintains the download and play model" with streaming. In general the key benefit they see are the server side tools that allow them to regulate the bandwidth of delivery.
 3. They believe it improves their customer availability because it supports fail-over on server side
 4. They like the cost proposition better than the cost of deploying Inktomi caches to all of their 20 data centers and various head-ends.
- @home is expecting to support Windows Media Player rather than Real because of this technology, because Burst works with our player but not with Real's.

Here are the key takeaways from Burst:

- They view us as strategic partner and are pushing our player because of its plug in model. At the same time, they are pushing the fact that they can pipe content to a Windows Media Player from a Linux or Solaris box and the content isn't necessarily in our format. Their comment was "this is good for MS because you can't do this but we can do it for you and help your player adoption."
- They are moving to a model where they run burst as an ASP service rather than selling the servers. @home liked this inasmuch as it lets them do a trial without having to deploy hardware.
- Burst claims that AOL/Spinner (their radio application) want to use Burst and play to switch to an embedded WMP so that they can use the burst solution. Burst says that Spinner's biggest problem is scalability and they believe Burst will help.
- Apple is aggressively courting burst to support QT, though Burst has not seen as much demand for QT compared to ASF.
- The demo that they did for us here failed not because of their service but because of an old WMP client installation (5.0 instead of 6.4). Demo worked well at NAB.
- One key challenge for them is client distribution. They could clearly get this through a variety of partnerships which would probably not be strategic for us (e.g., AOL). They are planning a U2 (the band) event to generate downloads in meantime. U2 is on their board.

Net net is that some of the largest customers in the broadband space are considering switching to supporting our player because they like the Burst solution. At same time, these customers may deploy Linux/Solaris servers or use the Burst ASP service based on Linux.

After further discussion, Bill and I believe we should revisit our stance with regard to them and even consider acquisition after further due diligence. The reasons for this are:

- Though we have been planning many of the features that burst provides today in our next version, their technology would give us time to market advantage on these features, and we could refocus our developers on other strategic initiatives.
- We could increase Burst's focus on Windows platforms on the server side and Windows Media formats
- Their pitch is helping them win some of the largest NetOps and we could have them continue to make this pitch to win in the broadband space, again with a better focus on our platform.
- We might be able to obtain some development, bus dev, and marketing talent (though clearly due diligence is needed here)

We don't have a good sense of the value of their patent portfolio but I have requested the patents back from our counsel BartE and I will review them assuming he gives me the go-ahead.

Next steps are:

- Review patents (Wfried)
- Try to schedule call ASAP with AOL/Spinner via WPoole to verify they are really where what Burst says they are. (Tony, can you talk to WPoole about this since he manages that relationship?)
- Send small delegation of PMs/deployment staff down to Burst to due further diligence on their technology operations and staff in the context of expanded partnership opportunities (of course not discussing acquisition at this point). Billsch do you want to arrange this?

Acquisition risks are (possibly premature to think about but are on my mind.)

- Possible bidding war with Apple. Real could get into game too.
- Location - they are based in SF.
- What to do with CEO - 1) he rubbed most people here the wrong way in initial talks and 2) WPoole already has too many reports.

From: Will Friedman [MCEAEX-
_O=MICROSOFT_OU=NORTHAMERICA_CN=RECIPIENTS_CN=225577@microsoft.com]
Sent: Thursday, April 13, 2000 10:41 AM
To: Mike Moskowitz
Cc: Richard Lang; Tony Bawcutt
Subject: RE: NAB

We will try to focus on Burstware -- this is our reason for calling him. Thanks for the contact information.

Will

-----Original Message-----

From: Mike Moskowitz [mailto:Mike.Moskowitz@burst.com]
Sent: Thursday, April 13, 2000 9:49 AM
To: Will Friedman
Cc: Richard Lang; Tony Bawcutt
Subject: RE: NAB

Hi Will,

Thanks for the update - it was great to talk with you at the show.

Our contact at AOL-Music (Spinner, Winamp, Shoutcast) is Steven Blumenfeld, their CTO.

He can be reached at 415-934-2796.

For the time being, please try & focus only on his position towards Burstware, and not on his overall plans for AOL-Music (he is relatively new there - 1 month, and is still getting his corporate bearings, I would imagine).

We look forward to talking further in the near future.

Thanks again for your time at the show.

Mike

> -----Original Message-----

> **From:** Will Friedman [mailto:wfried@microsoft.com]
> **Sent:** Wednesday, April 12, 2000 1:02 PM
> **To:** 'mike@burst.com'
> **Cc:** Richard Lang (E-mail); Tony Bawcutt
> **Subject:** NAB

>

>

> Good to see you again at NAB. I think we had a very productive
> conversation. I was able to talk to Andrew Rebach at @home
> today and he

9/17/2003

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- > confirmed many of the things you were telling me. If you
- > could put us in
- > touch with your contact at AOL/Spinner by telling us who your
- > contact is
- > there and how to reach them, we would love to get in touch
- > with them as
- > well.
- >
- > This kind of customer testimonial is exactly the kind of
- > feedback we need to
- > understand reaction of customers in the marketplace to Burstware..
- >
- > Thanks!
- > Will
- >

9/17/2003

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From: Linda Averett
Sent: Wednesday, May 10, 2000 5:01 PM
To: Kevin Larkin; Geoff Harris
Subject: RE: Burst.com and WMP-7

Read the mail trail. They claim that 1304 broke their solution. I just want to know why.

-----Original Message-----

From: Kevin Larkin
Sent: Wednesday, May 10, 2000 2:49 PM
To: Linda Averett; Geoff Harris
Subject: RE: Burst.com and WMP-7

I must be simple. they can do this today. what is the issue?

-----Original Message-----

From: Linda Averett
Sent: Wednesday, May 10, 2000 2:14 PM
To: Kevin Larkin; Geoff Harris
Subject: RE: Burst.com and WMP-7

How are they going to get a plugin written before ship?

-----Original Message-----

From: Kevin Larkin
Sent: Wednesday, May 10, 2000 2:11 PM
To: Linda Averett; Geoff Harris
Subject: RE: Burst.com and WMP-7

bill met with them today... gave them a couple work arounds
1) write a plugin for sdk
2) write a dshow wrapper for entire sdk.

i think they will pursue #1

-----Original Message-----

From: Linda Averett
Sent: Wednesday, May 10, 2000 1:57 PM
To: Geoff Harris; Kevin Larkin
Subject: FW: Burst.com and WMP-7
Importance: Low

Do we have any idea what Bill told them to do and/or what changed?

-----Original Message-----

From: Dan Plastina
Sent: Tuesday, May 09, 2000 11:49 AM
To: Mike Beckerman's Direct Reports; Linda Averett
Subject: FW: Burst.com and WMP-7
Importance: Low

FYI

10/20/2003

MS-CC-Bu 000000219383
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-----Original Message-----

From: Will Poole

Sent: Tuesday, May 09, 2000 11:35 AM

To: 'Mike Moskowitz'

Cc: Patty Jackson; Bill Schiefelbein; Dan Plastina; Will Friedman

Subject: RE: Burst.com and WMP-7

We do our best to support our key ISVs through technology changes and upgrades. We do not have any problem if you recommend that your users not adopt the beta version of the new player until you have a new plug in developed and tested. This is why we have preview and beta processes -- to find issues affecting users and developers and to give us and our partners a chance to shake them out prior to RTM. Thanks for working through this process with us.

Will

-----Original Message-----

From: Mike Moskowitz [mailto:Mike.Moskowitz@burst.com]

Sent: Tuesday, May 09, 2000 11:28 AM

To: Will Poole

Cc: Patty Jackson; Will Friedman

Subject: Burst.com and WMP-7

Hi Will,

We have been working very well with Will Friedman, and plan to continue to do so. However, I wanted to make sure you were aware of where we are with respect to Burst.com compatibility with Windows Media Player 7.0.

With the pre-release version of WMP-7 of April '00 (v. 7.00.00.1153), we found that sending ASF from our Burst servers was no longer successful, although nothing had changed from our end.

We received a workaround from Bill Schiefelbein, that requires us to change the extension. That indeed worked, for that release.

With the current WMP-7 Beta (v. 7.00.00.1304), we find that this workaround fails.

We are frantically trying to schedule time to talk with Bill and his team to discuss how we can work closer together -- obviously, temporary workarounds are not enough.

Any help you can provide in this regard would be greatly appreciated.

Please understand that we will be seriously damaged by this, as each day includes more people downloading WMP7, and thus more users that are incompatible with the services provided by our Burstware SW licensees as well as our Burstware hosting customers.

Thank you for your time.

I am, of course, available to discuss this further at any time.

Best Regards,
Mike Moskowitz

10/20/2003

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Mike Moskowitz
mike@burst.com
415-391-4455 x270

VP, Business Development
burst.com OTC: IVDO
<http://www.burst.com>

10/20/2003

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7/6/00

Burst Mtg Bill

→ Burst.com

- alt. form streaming
- Burst is way to go.
- Fill buffer on client.
- keep it full.
- not http Based. (not port 80)
- working on http version.
- cable based

• can read across cable modem.
prone to data loss.

- Needs to be retransmitted.
- cached.

→ Cache up

AMT; 1 Frame only,

Burst

- except @ home
- Yahoo.
- AOL spinner

Better than AMT

• Patent review - no problem for
issued vs. Filed.

• Low latency start up. -
real (5.0+)

~~in the~~

• WMA = 5 sec Buffering

• 6.4 play of prop. protocols

- instream Dshow filter.

- http part - Bind -

- Feeding

- cougar server.

- Unicast server.

- seeking + ff/rm

- asked to ship plugin

- v1. player do not want old
dshow filter (can't hold
support. all codecs)

- Mike if there - will burst

- new v1 plugin

"src" plugin - simplistic

- Sent Burt down road for plausibility.

- prohibited.

can't wrap WMF in another protocol

- irrevocable agreement

- asp based server model -

- linux servers.

sw - peellei partnership

- "wm from linux server."

- recover.

- what would they like?

• ship support for tech in player

• for reach.

Pitch - Better experience for end users

- may move more to work if we do this.

- ad versated w/ rent.

- have not made it yet

• make ~~the~~ running services

• IP house - /patent portfolio
- on NPR

• if nobody distributes, ...

• if cannot stream vials + WM, who? QT?

• Licenses to others - short term
- acquisitions
~~re to~~

• prior art.

- progressive download?

- write own patents.

Privileged

• ~~in the~~

• ~~QNT~~ doesn't realize they cannot
do what they want to do.

Not competitive today

[real has protocol for plugin -
in client/server.]

- build buffering w/ SDK.
- is use host + talk to server -
- own buffers -

- Buffering is good. (better experience) ^{client on cable} ^{can connect plug}
^{we don't like it since}
~~not~~ not exclusive. \rightarrow maintain par.

- push them away. ^{improve}
 (can't do that) \rightarrow ^{license} ^{one platform.}

- will be adding our own method.
 - wait for conflict. algorithm part

Don't like it because: ^{issue}

Don't want to code. ^{constraint}
 Format - ^{around the side}

Friend
or
Foe

allows non windows servers. (eg. linux)
 (not exclusively) ^{method}
 to write w/m.

validation first -

works it hard for
other friends

80 people

— show side of agreement issue?

→ this security mechanism

[go radio / disney
showcast] — people screaming
up.

cert / mp / as.

A possible workaround?

"wrap media content"

cable modem scenario w/
whisper.

Overall: good for user.

have to implement

I don't

Want some
ability to
play back on
my ~~system~~
content.

Not a goal to maintain per on Linux

+ Operational expense for subclass of content.

+ can't ignore us - will have plenty of
content.

+ Salat/Pitch it today/tomorrow.

dipl

citrus test:

- our player has to play it back.

(encompassate: prevent real from wrapping
time content)

should be able to
- if any app can read streams.

lots of
cross walks

Notes on Burst Meeting July 6th, 2000

Want:

- Burst-like experience (especially through cable modems)
- Windows-only serving
- Compatibility
- Enhance/Maintain value of WM Format

Don't Want

- ISV to go around Format
- Non-exclusive solutions (Linux Serving of WM)
- Incompatibilities

Actions	Q's	Outcomes	
		Positive	Negative
Leave them alone	• What exactly is the I14Y issue?	• Improves Windows experience	• Non-exclusive solution (Linux \$\$ impact?) • Format erosion • Incompatibilities
Push them away	• What clause did they breach exactly?	• Stop erosion	• May catch Lotus too. • PR Fallout
Acquire them	• What IP and people do they have?	• Would result in I14Y and exclusive • Get IP and people	• May not be worth it
Work with them (Fix I14Y and/or license)	• What is the fix? • What IP?	• Probably result in I14Y	• Unlikely exclusive

MS-CC-BU 9023509

CONFIDENTIAL

Jeffrey Friedberg

Subject: FW: Burst and other protocols
Location: 25/3419

Start: Thu 7/6/2000 9:00 AM
End: Thu 7/6/2000 10:00 AM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Jeffrey Friedberg

Should probably attend this if available... (sorry for the late notice)

-----Original Appointment-----

From: Dan Plastina On Behalf Of Monica Carranza
Sent: Wednesday, July 05, 2000 12:42 PM
To: Monica Carranza; Bill Schiefelbein
Subject: FW: Burst and other protocols
When: Thursday, July 06, 2000 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 25/3419

This is your meeting :)

-----Original Appointment-----

From: Monica Carranza
Sent: Thursday, June 22, 2000 8:58 AM
To: Dan Plastina; Will Friedman; Brooks Cutter; Mike Beckerman; Conf Room 25/3419 (14) AV
Subject: Burst and other protocols
When: Thursday, July 06, 2000 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 25/3419

-----Original Message-----

From: Bill Schiefelbein
Sent: Wednesday, June 21, 2000 11:13 PM
To: Monica Carranza
Subject: RE: Burst

Go ahead and schedule it - we might just get together ahead of that time in an ad-hoc or email fashion but hey, let's grab the time now in case we need it :)

Thx

Bill

-----Original Message-----

From: Monica Carranza
Sent: Wednesday, June 21, 2000 11:39 AM
To: Bill Schiefelbein
Subject: RE: Burst

There is no time that everyone is available until Thursday, July 6. Shall I schedule anyway?

Monica Carranza

MS-CC-BU 9023511

HIGHLY
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Administrative Assistant
Windows Media Platform Group -----Original Message-----
From: Bill Schiefelbein
Sent: Wednesday, June 21, 2000 1:03 AM
To: Monica Carranza
Subject: FW: Burst

Hi Monica. Would you please schedule an hour with Mike, DanPl, wfried, and brooksc for an hour next week on Tuesday (6/27) or later. Subject should be "Burst and other protocols" and can include this thread.

Thx

Bill

-----Original Message-----
From: Bill Schiefelbein
Sent: Wednesday, June 21, 2000 1:01 AM
To: Mike Beckerman; Dan Plastina
Cc: Will Friedman
Subject: RE: Burst

Mike and Dan. You can catch a glimpse from the original mail below what can happen if we allow any protocol to deliver WMC Content. Folks such as Burst, Shoutcast, nCube, etc will create their own custom solutions and while we will make gains in format adoption, it will be at the expense of the WMT platform.

Burst uses a proprietary networking protocol and a custom filter/plugin on the client to deliver Windows Media Content. We (including myself) have been encouraging them to go this route, but under intense thinking around the SDK licensing terms and strategy, I do not think this solution should be allowed.

One obvious concern (which Burst has threatened), is that they will take their technology (which has caught the attention of Excite@Home and Yahoo) and build solutions for Real and/or Apple, etc. There are some other concerns as well, but I think this warrants a discussion. I will try to schedule something for when I get back next week - but feel free to comment.

Bill

-----Original Message-----
From: Will Friedman
Sent: Wednesday, June 21, 2000 12:47 AM
To: Bill Schiefelbein; Nick Vicars-Harris
Cc: Tony Bawcutt; Brooks Cutter
Subject: RE: Burst

We need to have a high level strategy discussion on this, probably with you and DanPl at a minimum. Can you suggest a time that works before you go OOF and send a meeting request?

Thanks!

Will

-----Original Message-----
From: Bill Schiefelbein
Sent: Wednesday, June 21, 2000 12:43 AM
To: Will Friedman; Nick Vicars-Harris; Brooks Cutter
Cc: Tony Bawcutt
Subject: RE: Burst

This is a very tricky situation, which we need to really sit down and discuss. The fact is Will, according to our latest license agreement for the WMF SDK, they cannot use their Burst protocol in a Licensed Application built on our format SDK.

1.1 "Break Interoperability" means to: (i) Transcode, Convert or Encapsulate WMC Content (whether Packaged or not) into or out of a disk-based or network-transmitted form that is not fully supported by, and interoperable with, the Redistributable Components; and/or (ii) to impair or disable programs or applications that can validly create, access, or utilize WMC Content (whether Packaged or not) by exposing a means or method by which such programs or applications access or utilize WMC Content.

1.1 "Encapsulate" means to place any form of containment around or to remove such containment from any portion or entirety of WMC Content, whether saved to disk or written to the network, with the exception of standard file-system and network protocol containment not specific to the form or function of the Licensed Application. For purposes of this definition of "Encapsulate," example protocol and standard file-system exceptions include, but are not limited to, the Windows File Allocation Table file system, and the TCP/IP network protocol.

Now, things get a bit strange when you consider the fact that we allow folks to create a custom "source plugin" to the SDK. This allows folks such as Lotus to read the Windows Media content from their own custom store. What's the difference then if it's some Lotus store access across a network or a Burst server accessed across the network.

One could argue that Lotus is OK here as their content store is not specific in function to streaming media. On the other hand, Burst's protocol IS specific to streaming media and therefore should be prohibited. Do keep in mind that Burst has essentially developed their own Windows Media Origin Server - something which we have expressly not allowed.

Bill

-----Original Message-----

From: Will Friedman
Sent: Wednesday, June 21, 2000 12:23 AM
To: Bill Schiefelbein
Cc: Tony Bawcutt
Subject: FW: Burst

This is going to continue to cause problems.

-----Original Message-----

From: Michael Taylor [mailto:mwt@ncube.com]
Sent: Tuesday, June 20, 2000 10:24 PM
To: Will Friedman
Cc: Joe Matarese; Tom Gershaw
Subject: Burst

Will,

We met today with Doug Glen, President of Burst, and Mike Moscovitz, VP-Business Development. We discussed many things during the meeting, but one of the interesting highlights of the meeting revolved around some of the activities in which they claimed Microsoft and Burst were involved. Of course, the most intriguing of these activities was their ability to stream to a Window Media Player without having these streams originate from a Windows NT/Windows 2000 Operating System. I probably don't have to tell you that, when they demonstrated video being served from a Sun workstation to a Windows Media Player, I was more than a little surprised. Technically, I understand how this can work...I mean, with a little tweaking we can do this as well, even from OVS on the Cube...My surprise stems from their claim of an explicit approval and support from you to do so.

Indeed, they claim that they have an agreement with Microsoft (actually mentioned you and Will Poole by name) to undertake this activity, and are part of the WMT 7.0 Beta program.

I'd like to schedule a call in the near future to discuss this situation, because I have to admit that I'm a little confused. Please let me know your schedule over the next few days.

Meanwhile, we are going through the Appliance Caching Agreement, and will get back to you shortly with

comments -- thanks for getting this important agreement to us.

Regards,

Michael Taylor

415-831-9845 (direct)

415-505-4230 (cell)

734-448-6838 (fax)

mwt@ncube.com <<mailto:mwt@ncube.com>>

Status Update

Page 1 of 3

Borst

Bill Schiefelbein

From: Will Friedman
Sent: Tuesday, August 22, 2000 11:38 PM
To: Will Friedman; Mary Williamson (Preston Gates & Ellis)
Cc: Jeffrey Friedberg; Bill Schiefelbein
Subject: RE: Status Update

ATTORNEY/CLIENT PRIVILEGED and CONFIDENTIAL COMMUNICATION

**Privilege Material
Redacted**

-----Original Message-----
From: Will Friedman
Sent: Tuesday, August 22, 2000 9:44 PM
To: Mary Williamson (Preston Gates & Ellis)
Cc: Jeffrey Friedberg; Bill Schiefelbein
Subject: RE: Status Update
Importance: High

ATTORNEY/CLIENT PRIVILEGED and CONFIDENTIAL COMMUNICATION

**Privilege Material
Redacted**

9/25/2000

MS-CC-BU 9023212

CONFIDENTIAL

Status Update

Page 2 of 3

Privilege Material
Redacted

-----Original Message-----

From: Mike Moskowitz [mailto:Mike.Moskowitz@burst.com]
Sent: Wednesday, August 16, 2000 3:16 PM
To: Tony Bawcutt
Cc: Will Friedman; Doug Glen
Subject: Status Update

Hi Tony,

It was a pleasure to meet you a few weeks ago.

I want to update you on where we stand w.r.t. WMP7<-> Burst integration.

We are still waiting for further assistance from Bill Schiefelbein to continue the URLMON approach to supporting WMP-7.

As you know, this is an alternative to the WMSDK approach we originally employed at Bill's direction in May.

According to our engineering staff, this new approach appears to have serious limitations regarding our ability to guarantee the same QOS that we bring to WMP-6.

We have stated this clearly - most recently, in an e-mail dated over 1 week ago, that we have had no response to.

I have included this as an attachment.

We are hopeful that Bill will help us understand how to get past these limitations - as of now, we are starting to lose sales opportunities.

One recent customer we have been working with has over 100,000 broadband customers in the Asia/Pacific region.

They are deciding between Burstware and Oracle Video Server for their broadband (1Mb/s+) delivery.

It would be a real coup for Burst and Windows Media, in general, to win this type of customer over "traditional" MPEG streaming methodologies such as OVS.

Because we can not demonstrate WMP-7 compatibility, we are in serious danger of losing this great prospect.

I am asking for your assistance in helping get some definitive, concrete answers for our engineering team - every day that goes by without a Burst Plug-In for WMP-7 represents a continued potential loss of revenue - for both organizations.

Thanks for your help.

Sincerely,

MS-CC-BU 9023213

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9/25/2000

Status Update

Page 3 of 3

Mike Moskowitz

V.P., Product Marketing
burst.com
mike@burst.com
415-391-4455 ext. 270

<<FW: More URLMON approach questions>>

MS-CC-BU 9023214

9/25/2000

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From: Mike Moskowitz [Mike.Moskowitz@burst.com]
 Sent: Wednesday, October 04, 2000 5:08 PM
 To: Will Poole
 Cc: Doug Glen
 Subject: Microsoft & Burst

Dear Will,

Burst's mission is to deliver entertainment-quality digital media across IP networks, optimizing quality, reliability, and cost-effectiveness. The combination of Windows Media and Burstware has been highly successful, particularly for customers who insist on enhanced quality and reliability. Neil Young, for example, is so adamant that his fans see and hear his works in full fidelity (<http://www.neilyoung.com/garage/help.html>), that he wrote a personal letter to Rob Glaser complaining that the Neil Young Real Media experience is distinctly inferior to the Neil Young Windows Media experience—because only Windows Media is Burst-enabled!

SBC came to a similar conclusion. After testing Burstware for a year in their Austin labs, they bought a \$5 million stake in Burst.com (http://news.cnet.com/news/0-1004-200-2645377.html?tag=st.cn_sr.ne.1). More important, SBC is working with Burst to deliver TV-quality video-on-demand to their DSL subscribers. The new service will go into trial in a few months. We have strongly recommended Windows for both trial and rollout, and we would like to talk to you about working together.

Obviously, endorsements are nice, but revenue is even better. While Microsoft enjoys indirect revenues from BurstServer sales, in the form of Windows 2000 Server licenses, we would like to propose a more direct approach.

We would like to offer Microsoft a royalty on every BurstServer we sell, calculated as a percentage of the revenues we earn Windows Media stream licenses.

To maximize the benefits to Microsoft, we ask that the Burst/WMP plug-in be treated like a WM CODEC – automatically downloaded when the user encounters a Burst stream for the first time.

With a Microsoft/Burst relationship cemented as anticipated above, Microsoft can claim that its "ecosystem" provides benefits unavailable to its largest competitor:

- **Failover** - any Burst/WM Server can fail over to any other(s), regardless of where they are located on the internet.
- **Dynamic Scalability** - every time another server is added, it automatically scales the user's overall capacity.
- **Lower Entry Cost** - Burst.com delivery offers ISPs and CDNs the ability to deploy WM servers that outperform all-competitive servers on the market.

The proposed joint business relationship would give Content Providers, ISPs and ASPs with present and future Windows Media assets, a compelling "Delivery Enhancement Option". We think this option, along with CODEC advancements, broadband adoption continuing apace, and DRM, comprise a

9/24/2003

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compelling feature set that will trigger more Video-On-Demand content business models involving a Windows Media architecture.

We are ready to move forward with licensing details.

I would like to propose a meeting including yourself, Doug Glen, Burst.com President, and me, to discuss this at your earliest convenience. I'll call tomorrow to follow up.

Best Regards,
Mike

Michael Moskowitz
V.P., Product Marketing
Burst.com
mike@burst.com
415-391-4455 ext. 270

9/24/2003

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From: Bill Schiefelbein [bill.sch@microsoft.com]
Sent: Wednesday, November 01, 2000 11:18 AM
To: Mike Beckerman
Cc: Tony Bawcutt
Subject: RE: Burstware?

Mike - we need to talk about this. I have some updated info I want to share with you (Tony I forwarded this invite to you as well).

FYI: <http://quotes.nasdaq-amex.com/quote.dll?chart=1&page=charting&mode=basics&symbol=BRST%60&selected=BRST%60>

Bill

-----Original Appointment-----

From: Mike Beckerman
Sent: Tuesday, October 31, 2000 3:18 PM
To: Bill Schiefelbein
Subject: Burstware?
When: Friday, November 10, 2000 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana
Where: TBD

Chuck Cortright (SRS Wow) called me to talk about Burstware. Apparently, their CEO is a friend, and Chuck says that the CEO would really like to talk with me about possible opportunities between MS and Burstware. I said I'd listen for an hour. Chuck will get back to me with more details. Bill, you should juggle to attend this as you've been the key contact with Burstware.

???

9/17/2003

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From: Tony Bawcutt
Sent: Wednesday, November 01, 2000 5:23 PM
To: Bill Schiefelbein
Subject: FW: Burst.com

It never rains, it pours 8-)

-----Original Message-----

From: John Paddelford
Sent: Wednesday, November 01, 2000 2:39 PM
To: Christopher Carper; Tony Bawcutt; Bill Schiefelbein; Troy Batterberry
Cc: Tom Gershaw
Subject: RE: Burst.com

Totally agree - this is a killer feature. I have been asked for this by many (QT claims they do this now). I know Troy was doing some work in this area.

-----Original Message-----

From: Christopher Carper
Sent: Wednesday, November 01, 2000 12:09 PM
To: Tony Bawcutt; Bill Schiefelbein
Cc: Tom Gershaw; John Paddelford
Subject: Burst.com
Importance: High

I just hung up the phone with the technical folks at SBC. They are very interested in "faster than real-time" streaming and we discussed burst.com, as SBC is working pretty closely with these guys. They basically told me that "this is how we would win in the broadband space". This is not the first time they have been brought up, Broadwing has mentioned them on occasion as well.

I think this technology could have a very significant impact on streaming and we should be there.

My 2cents

C

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From: Mike Beckerman [mikebeck@microsoft.com]
Sent: Thursday, November 09, 2000 7:27 PM
To: Bill Schiefelbein; Tony Bawcutt
Cc: Troy Batterberry
Subject: RE: Burstware?

Yeah, Troy and I were looking at them yesterday when they had closed at 5/8ths. They've got to be pretty desperate right now...

-----Original Message-----

From: Bill Schiefelbein
Sent: Thursday, November 09, 2000 7:22 PM
To: Mike Beckerman; Tony Bawcutt
Subject: RE: Burstware?

FYI.... 0.72:

<http://quotes.nasdaq-amex.com/quote.dll?page=full&mode=basics&symbol=BRST%60&selected=BRST%60>

Bill

-----Original Message-----

From: Bill Schiefelbein
Sent: Wednesday, November 01, 2000 11:18 AM
To: Mike Beckerman
Cc: Tony Bawcutt
Subject: RE: Burstware?

Mike - we need to talk about this. I have some updated info I want to share with you (Tony I forwarded this invite to you as well).

FYI: <http://quotes.nasdaq-amex.com/quote.dll?chart=1&page=charting&mode=basics&symbol=BRST%60&selected=BRST%60>

Bill

-----Original Appointment-----

9/17/2003

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From: Mike Beckerman

Sent: Tuesday, October 31, 2000 3:18 PM

To: Bill Schiefelbein

Subject: Burstware?

When: Friday, November 10, 2000 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: TBD

Chuck Cortright (SRS Wow) called me to talk about Burstware. Apparently, their CEO is a friend, and Chuck says that the CEO would really like to talk with me about possible opportunities between MS and Burstware. I said I'd listen for an hour. Chuck will get back to me with more details. Bill, you should juggle to attend this as you've been the key contact with Burstware.

???

9/17/2003

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From: Bill Schiefelbein [billsch@microsoft.com]
Sent: Sunday, November 19, 2000 5:58 PM
To: Mike Beckerman; Tony Bawcutt; zz-Eppenauer, Bart (MS)
Cc: Chadd Knowlton
Subject: RE: Burstware: my quick take on yesterday's meeting

ATTORNEY-CLIENT PRIVILEGED COMMUNICATION
Privileged

-----Original Message-----

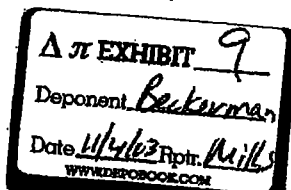
From: Mike Beckerman
Sent: Saturday, November 18, 2000 10:14 AM
To: Tony Bawcutt; Bill Schiefelbein
Cc: Chadd Knowlton
Subject: Burstware: my quick take on yesterday's meeting

Bottom line, they're dying, and even CEO Doug didn't have the gumption to come right out and say that they wanted to be acquired, probably because it makes them look even more desperate. Given their assets and market cap, acquisition for anything other than IP doesn't seem to provide much value.

I haven't read the performance report they gave us, but let's just take it on face value that they really do utilize bandwidth better than VMT alone. Since they've dumped all of their engineers except for two, there's not much in the way of SDE talent that we would get out of an acquisition. So it net it out to their patents (which, Bill, I believe has been your position for a while now.)

So I see it somewhat as a cross between a game of chicken, and a calculated risk as to how we proceed with our own engineering efforts. Given that they have 32 issued patents, we should be able to have Legal

9/17/2003



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look at those independently and give us an assessment of if we do or do not have a future exposure against those.

With a current market cap of just over \$9M and with them asking for at least \$5M inflow from MS, acquisition would be the only thing that makes sense in terms of the \$ involved—we'd acquire the IP, incorporate it into WMT, and anything else would be closed out. We'd of course look to see if there are people in the org that might make sense in MS, both the two engineers, and the others in different capacities. But my guess is that the offer and retention rate will be quite low.

On the chicken-side of things, with only 45 days of cash left, and with apparently only questionable additional funding available after that for a couple months more, we could wait this out and potentially license / acquire their IP at a much lower level of expense.

Tony, Bill, you're initial thoughts?

9/17/2003

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1/21/00 Burst

+ evaluate

+ 2x10 better

+ invest in them!

Probing ~~from~~ eventual death.

Archie wants to sue them -

& get rights to license + patents

+ sole or model is to litigate.

+ IP - if good + can't do it w/o
violation patent.

+ avoid getting sued by
acquire

+ made a big pitch to us first.

Real world care

+ priority insurance policy

\$ min
5M

Patents
Issued

IVT outstanding's

Not int. in acquisition @ this time

- no look up.
- 422 Filing

(no shop clause)

buy you
cannot entertain other
offers

\$200M in cash

(buy just assets not company)

\$500M

(A listen bought for \$5M)

SGI - casino \$1M (Horse & Co)

\$200M

(45 days left)

restr. Dept. (-3m) 105 days

Insurance -
- 1st similar
- access to code
- no people

+ sole owners?

⇒ Review patents for license

From: Bill Schiefelbein [billsch@microsoft.com]
Sent: Tuesday, November 21, 2000 11:57 AM
To: John Weresh (LCA); Tony Bawcutt; Mike Beckerman
Cc: Pat Donka
Subject: RE: Discussion about Burst

Going....going.....

Burst.com cuts 80 percent of staff, reports loss
20 Nov 2000 07:40 GMT (Reuters)

http://www.reuters.com/news_company.html?storyId=NEWS.REUT.20001120.N20171240rtr&ticker=BRST

---Original Appointment---

From: Bill Schiefelbein
Sent: Friday, April 03, 1998 11:38 AM
To: Bill Schiefelbein; John Weresh (LCA); Tony Bawcutt; Mike Beckerman
Cc: Pat Donka
Subject: Discussion about Burst
When: Tuesday, November 21, 2000 2:00 PM-2:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Mike's office

As per the other thread, let's get together and discuss this issue (hope you don't mind us invading your posh office Mike...).

Bill

9/17/2003

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From: Mike Beckerman
 Sent: Wednesday, November 29, 2000 11:40 AM
 To: Pat Donka; Tony Bawcutt; Bill Schiefelbein
 Subject: RE: Burst

To follow up on the patents then, we need to have Legal take the lead on this, with support from Bill? Other? I just want to be sure we have a plan and owners for actions.

-----Original Message-----

From: Pat Donka
 Sent: Wednesday, November 29, 2000 10:41 AM
 To: Tony Bawcutt; Mike Beckerman; Bill Schiefelbein
 Subject: RE: Burst

OK> I looked an hour ago and they were at 5/8 which is \$11.9M. Bottom line, as long as they are trading in the public markets and not bankrupt, we will have to pay a premium to take them out. If we play a waiting game they will be cheaper. we should begin talking to them to determine if their patents are really any good.

-----Original Message-----

From: Tony Bawcutt
 Sent: Wednesday, November 29, 2000 10:39 AM
 To: Pat Donka; Mike Beckerman; Bill Schiefelbein
 Subject: RE: Burst

MoneyCentral shows cap at \$10.76, 19Mill shares, based on their stock at 9/16.

-----Original Message-----

From: Pat Donka
 Sent: Wednesday, November 29, 2000 10:34 AM
 To: Mike Beckerman; Bill Schiefelbein; Tony Bawcutt
 Subject: RE: Burst

I spoke to Keith
 we have an NDA in place and they really seem to be abiding by it. It is important to note, that their current market cap is just shy of \$12M, so any acquisition offer would have to be above that. Otherwise, we are in a waiting game as they go downhill. Of course,

Privileged

-----Original Message-----

From: Mike Beckerman
 Sent: Tuesday, November 28, 2000 10:16 PM
 To: Pat Donka; Bill Schiefelbein; Tony Bawcutt
 Subject: RE: Burst

We should try to get back to them this week with some kind of position, even if that's a do nothing right now decision. One of our folks heard from a customer that they're telling people that MS, Apple, and Real, are all bidding on them to get the rights to their patents. I'm not a big fan of that kind of behavior, and for a public company, it's highly questionable. This pushes me more to the wait-and-see mode.

-----Original Message-----

From: Pat Donka
 Sent: Tuesday, November 28, 2000 8:20 PM
 To: Mike Beckerman; Bill Schiefelbein; Tony Bawcutt
 Subject: RE: Burst

Not yet. Keith has been out working on another deal. I have asked him to call me tomorrow. What is the time line on this?

-----Original Message-----

From: Mike Beckerman

Sent: Tuesday, November 28, 2000 1:22 PM
To: Pat Donka; Bill Schiefelbein; Tony Bawcutt
Subject: Burst

So, where are we at with that discussion? Pat, do we have any of the info you were going to dig up from Legal?

From: Tony Bawcutt [tonyba@microsoft.com]
Sent: Wednesday, December 06, 2000 8:40 AM
To: Kurt Buecheler
Subject: RE: Burst update

Opportunistic steaming, aka bursting. If you have a 500Kbps line, and attach to content at say 350Kbps, it could stream at that rate, but due to vaguancies in the network, there are times when that might falter due to network congestion etc. But network performance actually varies up as well as down. So while they would attempt to download at 350K, if the pipe opened up and would support the full 500K, then they would pump as much as they could into buffer, and use that to adjust for slowdowns, thereby improving the quality. We (BillSch) believe that this is a necessary feature, but are less sure if they have it cornered. We'll know more after this morning.

-----Original Message-----
From: Kurt Buecheler
Sent: Wednesday, December 06, 2000 7:19 AM
To: Tony Bawcutt
Subject: RE: Burst update

What are the patents about?

-----Original Message-----
From: Tony Bawcutt
Sent: Monday, December 04, 2000 3:50 PM
To: Bill Schiefelbein; John Weresh (LCA)
Cc: Pat Donka; Kurt Buecheler; Mike Beckerman
Subject: Burst update

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-----Original Message-----

From: Mike Beckerman
Sent: Monday, December 04, 2000 10:49 AM
To: Tony Bawcutt
Cc: Bill Schiefelbein; Pat Donka
Subject: FW: Touching base

fyi

-----Original Message-----

From: Doug Glen [mailto:Douglas.Glen@burst.com]
Sent: Monday, December 04, 2000 9:19 AM
To: Mike Beckerman
Subject: RE: Touching base

Hi Mike,

Thanks for following up. I'm in the office most of today. If my line doesn't get through, you should try Jena Barker, my admin, at 415-391-4455 x303.

Best regards,

Doug

-----Original Message-----

From: Mike Beckerman [mailto:mikebeck@microsoft.com]
Sent: Friday, December 01, 2000 11:37 AM
To: 'doug.glen@burst.com'
Cc: Tony Bawcutt; 'Chuck Cortright'
Subject: Touching base

Hi Doug. Thanks again for visiting us last week. We've been discussing internally the various ideas you presented and will be contacting you on Monday to review our thoughts and to discuss any next steps.

Thanks.

-Mike

9/17/2003

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From: Bill Schiefelbein
Sent: Sunday, February 11, 2001 10:54 PM
To: Jeffrey Friedberg
Subject: RE: FYI on Burst

Yes, Tony Bawcutt has been in close touch with Burst and Burst has indicated that they are being considered for acquisition by a company Burst deemed as "not friendly to Microsoft". We are still not interested. I can fill you in on more if you are interested.

Bill

-----Original Message-----
From: Jeffrey Friedberg
Sent: Saturday, February 10, 2001 10:54 PM
To: Bill Schiefelbein
Subject: FYI on Burst

Burst.com, Inc (BRST) has been languishing below a dollar for quite some time. But over the last three weeks, BRST has been on fire. In that short time the stock has nearly tripled. With stocks trading below a dollar, it's hard to tell the significance of a move like this. In November, the company was forced to lay off 80% of its workforce, but it is also looking for funding. On November 27, BRST said it had "secured \$650,000 in funding, an amount sufficient to sustain its operations through mid-first quarter." Well, that date is quickly approaching and we have yet to hear from the company about its financial conditions. The company has not said anything officially since December 20 ... so it is very interesting that BRST shot up last week. Let's keep a close eye on BRST.

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From: Kurt Buecheler
Sent: Tuesday, February 13, 2001 10:43 AM
To: Mike Beckerman; Tony Bawcutt; Erik Huggers; Tom Gershaw; David Misakian
Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
Subject: RE: Burst redux

Burst acquisition interest growing
Kurb

Hi Kurt,

Thanks for the quick reply.

In a nutshell, our European subsidiary, UPC/Chello has a significant interest in adopting the Burst.com technology to their backbone system across Europe, due to the potential OPEX reduction the Burst technology may be able to achieve regarding bandwidth expense, and the superior streaming elements of the Burst technology would generally benefit our interactive services significantly.

From our viewpoint, the Burst company operation appears to be on life-support. We are potentially interested in acquiring Burst if that plan makes economic sense for us, and the plan doesn't put us cross-ways with Microsoft in any way, given Microsoft's equity interest in UnitedGlobalCom, Inc.

It has been represented to us that Microsoft would support a general plan for United to acquire Burst, assuming no cross-purposes develop, in an effort to also be diligent about the Burst technology being acquired by other third parties, in an alternative strategy that I don't want to detail in this forum. In our proposed conference call, we'd like to speak with you about Microsoft's position on this issue, as well as your opinion of software licensing revenue projections to Microsoft or other parties, if United were to acquire Burst.

I'm hesitant to detail anything else in this email, but these are the main issues. Could you give me some idea of your availability to participate in a conference call with myself and our President, Mike Fries, ASAP?

Thanks,

Doug Stewart
UnitedGlobalCom, Inc.
Denver
303.770.4001 Office Phone

-----Original Message-----

From: Mike Beckerman
Sent: Thursday, February 08, 2001 9:05 AM
To: Tony Bawcutt; Kurt Buecheler
Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
Subject: RE: Burst redux

Sure.

-----Original Message-----

From: Tony Bawcutt
Sent: Thursday, February 08, 2001 8:17 AM
To: Mike Beckerman; Kurt Buecheler
Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
Subject: RE: Burst redux

I just got off the phone with Doug where I delivered the message that we would not be pursuing them further,

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and that the only opportunity that made sense to us was to get a license to specific patents as an insurance policy, and that the cost for that would have to be well under \$1Mill.

He advised that there was a company, apparently friendly to us, that was interested in acquiring some or all of the company and there would be an announcement on Monday. Clearly their stock has been on the rise, now trading at \$0.84, which raises their capex to \$20M.

He went on further to say that UPC the cable company in UK, is very enamoured with their technology, but has not wherewithall to develop the technology. Not clear whether he was talking about the same company as above, or whether this was an alternate deal. So he intimated that they may be interested in owning the technology, and then working out some license for us to use. I left the door open for details of that deal to come forward, but was clear that it was not just a cash problem to us; we would need to see the value equation.

He is going to get back in the next few days. I will be in Mexico for two weeks starting Sunday. I would like him to be able to talk to either KurtB or MikeBeck. You guys OK with me giving you as contacts?

-----Original Message-----

From: John Weresh (LCA)
Sent: Wednesday, January 31, 2001 9:05 AM
To: Bill Schiefelbein; Mike Beckerman; Tony Bawcutt; Bret O'Rourke; Will Poole
Cc: Kurt Buecheler
Subject: RE: Burst redux

Privileged

-----Original Message-----

From: Bill Schiefelbein
Sent: Tuesday, January 30, 2001 11:44 PM
To: Mike Beckerman; Tony Bawcutt; John Weresh (LCA); Bret O'Rourke; Will Poole
Cc: Kurt Buecheler
Subject: RE: Burst redux

Privileged

-----Original Message-----

From: Mike Beckerman
Sent: Tuesday, January 30, 2001 6:37 PM
To: Tony Bawcutt; Bill Schiefelbein; John Weresh (LCA); Bret O'Rourke; Will Poole
Cc: Kurt Buecheler
Subject: RE: Burst redux

ATTORNEY / CLIENT PRIVILEGED COMMUNICATION

Privileged

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To: Mike Beckerman; Bill Schiefelbein; John Weresh (LCA); Bret O'Rourke; Will Poole
Cc: Kurt Buecheler
Subject: Burst redux

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Privileged

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From: Will Poole
 Sent: Tuesday, February 13, 2001 10:50 AM
 To: Kurt Buecheler; Mike Beckerman; Tony Bawcutt; Erik Huggers; Tom Gershaw; David Misakian
 Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke
 Subject: RE: Burst redux

I suggest we tell them that we intend to include similar functionality in the platform over time (some potentially as early as WMT9); that if they purchase burst we'd be happy to negotiate an inexpensive one-time buyout license to technology and patents so that we can incorporate it in future platforms. They would get the TTM benefit of using current burst implementations plus long term alignment (but not necessarily compatibility) between current burst technology and our future platform.

-----Original Message-----

From: Kurt Buecheler
 Sent: Tuesday, February 13, 2001 10:43 AM
 To: Mike Beckerman; Tony Bawcutt; Erik Huggers; Tom Gershaw; David Misakian
 Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
 Subject: RE: Burst redux

Burst acquisition interest growing
 Kurtb

Hi Kurt,

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Thanks,

Doug Stewart
 UnitedGlobalCom, Inc.
 Denver
 303.770.4001 Office Phone

-----Original Message-----

From: Mike Beckerman
 Sent: Thursday, February 08, 2001 9:06 AM

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To: Tony Bawcutt; Kurt Buecheler
 Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
 Subject: RE: Burst redux

Sure.

-----Original Message-----

From: Tony Bawcutt
 Sent: Thursday, February 08, 2001 8:17 AM
 To: Mike Beckerman; Kurt Buecheler
 Cc: John Weresh (LCA); Bill Schiefelbein; Bret O'Rourke; Will Poole
 Subject: RE: Burst redux

I just got off the phone with Doug where I delivered the message that we would not be pursuing them further, and that the only opportunity that made sense to us was to get a license to specific patents as an insurance policy, and that the cost for that would have to be well under \$1Mill.

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He is going to get back in the next few days. I will be in Mexico for two weeks starting Sunday. I would like him to be able to talk to either KurtB or MikeBeck. You guys OK with me giving you as contacts?

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From: John Weresh (LCA)
 Sent: Wednesday, January 31, 2001 9:05 AM
 To: Bill Schiefelbein; Mike Beckerman; Tony Bawcutt; Bret O'Rourke; Will Poole
 Cc: Kurt Buecheler
 Subject: RE: Burst redux

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From: Bill Schiefelbein
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 To: Mike Beckerman; Tony Bawcutt; John Weresh (LCA); Bret O'Rourke; Will Poole
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From: Mike Beckerman
 Sent: Tuesday, January 30, 2001 6:37 PM
 To: Tony Bawcutt; Bill Schiefelbein; John Weresh (LCA); Bret O'Rourke; Will Poole
 Cc: Kurt Buecheler
 Subject: RE: Burst redux

ATTORNEY / CLIENT PRIVILEGED COMMUNICATION

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—Original Message—

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Sent: Tuesday, January 30, 2001 5:37 PM
To: Mike Beckerman; Bill Schiefelbein; John Werash (LCA); Bret O'Rourke; Will Poole
Cc: Kurt Buecheler
Subject: Burst redux

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From: Mike Beckerman
Sent: Wednesday, February 28, 2001 6:32 PM
To: 'Doug Glen'; Tony Bawcutt
Subject: RE: Optimization Paper

Doug, I'm going to pass on reading the paper simply as a matter of keeping my exposure to Burst IP at zero. I do agree we're on different ends of the spectrum right now ;-). I'll let Tony comment on the aspects of the UGC / UPC potential.

Thanks.
-Mike

-----Original Message-----

From: Doug Glen [mailto:Douglas.Glen@burst.com]
Sent: Wednesday, February 28, 2001 12:58 PM
To: Mike Beckerman; Tony Bawcutt
Subject: Optimization Paper

Mike and Tony,

Thought you might be interested in this latest paper from our chief scientist, Arthur Allen. It addresses the mathematics behind our optimization algorithms, and it may persuade you to take a further look at a possible deal between our two companies.

At this point, we seem to be on distant ends of the spectrum as far as deal value goes, but we might converge if (i) UGC/UPC decided to acquire Burst and work out a side arrangement with Microsoft; or (ii) we could structure a patent license with a modest cash component and a large promotional component (e.g. you agree to publicize your use of Burst technology).

Best regards,

Doug

9/24/2003

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